

**Title 6—DEPARTMENT OF  
HIGHER EDUCATION  
Division 10—Commissioner of  
Higher Education  
Chapter 5—Regulation of Proprietary  
Schools**

**6 CSR 10-5.010 Rules for Certification of Proprietary Schools**

(1) Definitions. Definitions are consistent with those set forth in the statutory authorization.

- (A) “Academic progress” or “satisfactory academic progress” means the policy and procedures for periodically evaluating, measuring, and recording the extent to which each student is meeting stated course or program requirements and objectives, and includes any consequences of failure to do so.
- (B) “Accredited school” means a school that holds accredited status from a national or regional accrediting agency or association recognized by the United States Department of Education as a reliable authority concerning the quality of education or training provided by institutions of higher education.
- (C) “Advertising” means any printed, published, recorded, broadcast, electronically transmitted, or publicly presented information that markets or describes the school for any purpose.
- (D) “Agent” means any employee, solicitor, or other person who, for remuneration, by any means and at a place away from the school premises or site of instruction, enrolls or attempts to enroll a resident of this state in a course or courses of instruction or study offered or maintained by a proprietary school, wherever located, or otherwise holds himself/herself out to a resident of this state as representing a proprietary school for such purposes.
- (E) “Board” or “Coordinating Board” means the Coordinating Board for Higher Education created by section 173.005(2), RSMo.
- (F) “Branch campus” or “branch” means a geographically separate and permanent instructional facility, that is derived from and controlled by its main campus. A branch campus may provide complete and distinct programs and employ unique or shared instructional and administrative personnel. A branch may produce and maintain its own institutional and student records.
- (G) “Certificate” means any award, including a diploma, that does not have a degree designation.
- (H) “Certificate of approval” means approval by the Coordinating Board to operate a school in compliance with this rule and the provisions of sections 173.600 through 173.619, RSMo.
- (I) “Certified” or “approved” means having been granted a certificate of approval by the Coordinating Board, pursuant to section 173.604, RSMo.
- (J) “Contact hour” or “clock hour” means a minimum of fifty (50) minutes of instruction or training that is directed and supervised by an instructor or trainer.
- (K) **“Continuous operation” means a certificate of approval to operate in Missouri that has been maintained without lapse, suspension or revocation.**

- (L) “Course” means a defined and unique educational offering with discrete objectives and requirements in support of a program, whether conducted in person, by mail, or through any telecommunication medium.
- (M) “Credit hour” means the unit of quantitative measurement of educational attainment earned in a course, generally stated in semester, trimester, or quarter hours. The basis of measuring a credit hour shall be defined in accordance with the standards of a school’s accreditor or, in the absence of accreditation, defined to be consistent with the definition of such generally employed at institutions of American higher education, as determined by the department.
- (N) “Degree” means any award, earned or honorary, conferred with the designation of associate, baccalaureate, master, professional or professional development, specialist, or doctorate.
- (O) “Department” means the Department of Higher Education created by section 173.005(1), RSMo.
- (P) “Exempt” means having been determined to be a school or instructional program eligible for release from the provisions of sections 173.600 to 173.619, RSMo, pursuant to section 173.616, RSMo.
- (Q) “Extension site” or “extension” means any geographically separate and either temporary or permanent instructional facility located within reasonable geographic proximity to a main or branch campus, that is entirely auxiliary to and operated by a main or branch campus. An extension site shall not provide distinct programs, employ significant administrative personnel, or maintain its own institutional or student records.
- (R) **“Formal grievance” means a complaint against a certified school that is submitted on forms provided by the department and completes the review process through the final disposition.**
- (S) “Grievance policy” means the internal procedures through which a student may formally make a complaint regarding actions of a school and a school may make its response to such a complaint.
- (T) **“Lapse” means a certificate of approval to operate that has not been renewed by the deadline established by the department.**
- (U) “Main campus” means the primary instructional facility of a school, as so designated by the school. For accredited schools, the main campus is the one to which accreditation is directly conferred and from which other campus locations derive their accreditation.
- (V) **“New program” means an academic or vocational educational offering not previously approved by the department or a current offering delivered in a format not previously approved by the department. New program shall also mean an approved academic or vocational offering whose components have been modified by 50% or more.**
- (W) “Operate” means to establish, keep, or maintain any facility at a location or locations in this state where, from, or through which education is offered or given and shall include contracting with any person, group or entity to perform any such act.
- (X) “Person” means any individual, corporation, partnership, association, or business entity of any kind or description.

- (Y) “Physical presence” means any person or location within the state of Missouri where, from, or through which a school operates for the purpose of conducting an activity relating to postsecondary education, including the granting of certificates or degrees, or for the purpose of recruiting students. Location is defined to include any address, physical site, electronic device, or telephone number within or originating from within the boundaries of the state of Missouri. Physical presence shall also mean a formally scheduled instructional interaction organized by or through a school taking place between two or more students and/or instructors within the state of Missouri.
- (Z) “Program” or “program of instruction” means a complete academic or vocational educational offering which fulfills the requirements for the awarding of a certificate or degree. A program may consist of one or multiple courses, and shall, upon satisfactory completion, fulfill an academic, occupational, or other training objective.
- (AA) “Proprietary school” or “school” means any person not specifically exempted in the authorizing statute which offers or maintains on either a profit or not-for-profit basis within the state of Missouri a course or courses of instruction or study through classroom instruction or correspondence, or which grants certificates or earned or honorary degrees.
- (BB) “Public institution” means a postsecondary educational institution established by provisions of Missouri constitutional or statutory law or established by the voters of the district in which it is located, which is funded fifty percent (50%) or more of its operating costs from public funds; which is governed by a body appointed by the Governor and approved by the Senate, or selected by the voters of the district in which it is located and which operates on a not-for-profit basis.
- (CC) “Religious degree” or “religious program” means any degree or program with a specific theological, biblical, divinity, or other religious designation. Religious degrees or programs shall not include those with a designation that generally denotes a secular degree, including, but not limited to, associate, baccalaureate, master or doctor of arts, science, humanities, philosophy, law, business, education, medicine, and other designations of non-religious disciplines.
- (DD) “Substantive change” means a modification of 20% or more of a program’s components.**
- (EE) “Transcript” or “transcript record” means a student’s permanent educational record.
- (2) Jurisdiction.

No changes.

(3) Exemption.

- (A) Schools That Shall Be Exempt by Statute. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.619, RSMo and formal application for that exemption is waived:
1. A public institution;
  2. Any college or university represented directly or indirectly on the advisory committee of the Coordinating Board for Higher Education as provided in subsection 3 of section 173.005, RSMo;
  3. An institution that is certified by the board as an “approved private institution” under subdivision (2) of section ~~173.1102~~**173.1102**~~173.205~~, RSMo; and

4. A not-for-profit religious school that is accredited by the American Association of Bible Colleges, the Association of Theological Schools in the United States and Canada, or a regional accrediting association, such as the North Central Association, that is recognized by the Council on Postsecondary Accreditation **or its successor organization** and the United States Department of Education.
- (B) Schools That Shall Be Exempted by the Coordinating Board.

No changes.

(4) Application for Certificate of Approval to Operate.

- (A) Application for certification shall be submitted on application forms furnished by the department and must be submitted on or prior to the expiration date with which the forms are stamped when distributed. Decision on an application for certification shall be made on the basis of:
1. Compliance with the standards set forth in this rule and the authorizing statute;
  2. Compliance with the instructions for fully completing and submitting the application forms and exhibits;
  3. Information, documentation, or verification submitted or received from any source in supplement to the pending application;
  4. Research, information, and other documentation collected by the department or by independent experts or consultants; and
  5. Site visitation and/or personal interview as deemed appropriate by the department.
- (B) The department may give faith and credit consideration to accreditation by a national or regional accrediting association recognized by the United States Department of Education and to approval by other governmental agencies, including certification or licensing approval by another state. The department may waive any part of the certification procedure for reason of such accreditation or approval.
- (C) The department may waive any part of the certification procedure in any instance where such procedure is deemed by the department to be unnecessary or inappropriate for a given school applicant.
- (D) The submission of applications should allow adequate lead time prior to the applicant's planned date for starting school operations. The applicant's planned start date shall not normally be a consideration for the time frame for decision on an application. Incomplete or inaccurate applications may be returned to the applicant for resubmission. Failure of the applicant to respond in a timely manner to requests for supplementary information or for resubmission of the application may result in denial of certification to operate.
- (E) Annual Recertification.
1. Certificates to operate shall be issued for a maximum of a one (1)-year period and schools must submit application and be certified annually.
  2. The annual certification year shall be from July 1 to June 30.
  3. Schools initially certified shall be certified from the date of issuance of the certificate of approval to operate to the end of the certification year, June 30.

4. The closing date for the submission of applications for annual recertification shall be the March 15 immediately preceding the beginning of the certification year and, contingent upon a school submitting an acceptable application on or prior to that closing date, a school's certification status shall not lapse in the event a recertification decision is delayed past the expiration of the then current certification year.
5. Failure to submit application by the prescribed closing date shall be grounds, without other considerations, for denial of a certificate of approval to operate for the next certification year.

(F) **Biennial Recertification.**

1. **Schools that meet eligibility criteria may request a certificate of approval to operate that is valid for a two (2)-year period. To be eligible for a biennial certificate of approval, a school must:**
  - A. **Be in continuous operation for a period of no less than five years;**
  - B. **Maintain a location or locations in Missouri where, from, or through which education is offered;**
  - C. **Hold current institutional accreditation from a national or regional accrediting association recognized by the US Department of Education and have no current disciplinary actions such as warnings, probation, show cause or other negative actions from the accreditor, such as additional programmatic or institutional reporting;**
  - D. **For schools currently participating in Title IV, currently maintain the general standards of financial responsibility as outlined by the US Department of Education's current Federal Student Aid Handbook and its successor publications.**
  - E. **Have no findings from the school's most recent department site visit that have not been satisfactorily resolved within 60 days of formal notification;**
  - F. **Have not been placed in a probationary status, within the previous five years, by the department that has not been resolved within the timeframe provided by the probation notice;**
  - G. **Have no formal grievance in the five years prior to application for biennial recertification whereby the department has officially directed the school to resolve the grievance through restitution, reinstatement or other remedy; and**
  - H. **Maintain an official cohort default rate of no more than 5 percent below the official threshold rate published by the US Department of Education.**
  - I. **All branch campuses of a certified school must have been in continuous operation for a minimum of two years prior to the school's application for biennial recertification.**
2. **Failure to maintain eligibility criteria will result in rescission of the biennial recertification. Schools will be issued a certificate that must be renewed annually. Schools may not reapply for biennial recertification for two years and must meet all eligibility criteria.**

3. **A school granted a biennial certificate of approval must annually submit to the department:**

- A. **An annual certification fee;**
- B. **Verification of the security deposit; and**
- C. **Other data as determined by the department.**

- (G) Temporary Certification. On decision of the department, a certificate of approval issued to an applicant school or to a school applying for recertification may be issued as a temporary certificate of approval. The effective date of a temporary certificate of approval shall not exceed sixty (60) days. In instances other than a temporary certificate of approval issued for reason of a change of school ownership, the reasons for issuance of the temporary certificate of approval shall be specified by the department. At the termination of the temporary certificate of approval:
  - 1. A temporary certificate of approval may be reissued for one additional period not to exceed sixty (60) days; or
  - 2. A certificate of approval for the remainder of the then current certification year may be issued.
- (H) Certification Fee. No certificate of approval to operate shall be issued except upon payment of the prescribed certification fee.
  - 1. The certification fee shall be computed on the basis of ~~\$.001~~**\$.0013** per one dollar of net tuition and fees income (excluding refunds, books, tools, and supplies), with a maximum of ~~two thousand five hundred~~**five thousand** dollars ~~(\$2,500)~~**(\$5,000)** and a minimum of ~~two hundred fifty~~**five hundred** dollars ~~(\$250)~~**(\$500)** per school. Tuition and fees for schools that operate at two (2) or more locations within Missouri may be reported separately or be combined for all locations for purposes of computing the certification fee. The certification fee shall be computed on the basis of data submitted by the institution, subject to verification by the department.
  - 2. The certification fee for a school upon initial certification to operate shall be computed on the basis of the estimate given in the application of the net tuition income for the first year of operation, except that the fee shall not be less than the minimum of ~~two hundred fifty~~**five hundred** dollars ~~(\$250)~~**(\$500)**. The full initial certification fee shall be assessed whether the initial certification is for an entire or partial certification year.
  - 3. The certification fee requirement for a branch campus operated in Missouri by an out-of-state school shall be computed solely on the basis of applicable tuition and fee income at the Missouri branch campus.
  - 4. For a school having a certificate of approval for the sole purpose of recruiting students in Missouri, the net tuition used for the certification fee computation shall be only that paid, or estimated if initial, to the school by students recruited from Missouri and the fee shall be ~~two hundred fifty~~**five hundred** dollars ~~(\$250)~~**(\$500)** plus ~~\$.001~~**\$.0013** per one dollar of net tuition and fees income (excluding refunds, books, tools, and supplies) **not to exceed five thousand dollars (\$5,000).**
- (I) Security Deposit. Each proprietary school must file a security deposit with coverage consistent with the statutory requirements of section 173.612, RSMo.

1. The security deposit shall be executed on the prescribed form provided by the department for that purpose. The security deposit shall cover all facilities and locations of the school in the state of Missouri and shall clearly state that it covers the school and agents of the school.
2. Any bonding company must be approved by the Missouri Department of Insurance.
3. The amount of the security deposit shall be ten percent (10%) of the preceding year's gross tuition but, in no event, shall be less than five thousand dollars (\$5,000) nor more than ~~twenty-five~~**one hundred** thousand dollars ~~(\$25,000)~~**(\$100,000)**, except that the school may deposit a greater amount at its own discretion.
4. The school may comply with the security deposit requirement through any of the following three (3) methods, at the discretion of the school: performance surety bond, irrevocable letter of credit, or cash bond secured by certificate of deposit.
5. The amount of the security deposit required must be computed and compliance verified with each annual application for certification. Written verification of compliance with the security deposit requirement of the authorizing statute must be presented prior to the issuance of a certificate of approval. Failure of a school to post and maintain the required security deposit may result in denial, suspension, or revocation of certification to operate or the school being placed on probation.
6. Any school that operates two (2) or more main campuses in the state may combine, or report separately, gross tuition for all locations for the purpose of determining the annual security deposit requirement. However, if the combined gross tuition calculates a security deposit requirement in excess of the ~~twenty-five~~**one hundred** thousand dollars ~~(\$25,000)~~**(\$100,000)** maximum, the gross tuition shall be reported separately, and the requirement calculated separately.
7. The security deposit requirement for a branch campus operated in Missouri by an out-of-state school shall be computed solely on the basis of applicable tuition and fee income at the Missouri branch campus.

**(5) Fees.**

**(A) Fees should be made payable to the Missouri Department of Higher Education.**

**(B) All fees are non-refundable.**

**(C) The following fees shall be paid:**

1. <b>Initial Application for Certification (to be credited toward the certification fee)</b>	<b>\$200</b>
2. <b>Initial Application for Exemption</b>	<b>\$50</b>
3. <b>Application to Establish a Branch Campus</b>	<b>\$100</b>
4. <b>Application to Establish an Extension Site</b>	<b>\$50</b>
5. <b>New Program Review (Certificate)</b>	<b>\$100</b>
6. <b>New Program Review (Associate)</b>	<b>\$200</b>
7. <b>New Program Review (Bachelor and Graduate)</b>	<b>\$500</b>
8. <b>Substantive Change Review (Certificate)</b>	<b>\$50</b>
9. <b>Substantive Change Review (Associate)</b>	<b>\$100</b>
10. <b>Substantive Change Review (Bachelor and Graduate)</b>	<b>\$250</b>
11. <b>Change of Ownership, Name, Location</b>	<b>\$100</b>

12. Transcript Verification \$10

13. Late Fee (per day) \$10

- (D) Unaccredited degree-granting schools seeking initial certification to operate in Missouri may be required to undergo a pre-certification site visit by department staff and external consultants with expertise in higher education. The applicant school is responsible for all reasonable costs associated with the site visit.
- (E) Certified schools are responsible for travel expenses for all members of a department on-site review team when such review is scheduled in response to concerns raised by accreditors, students, or the general public.

(6) Certification Standards.

No change.

(7) Information and Data Standards.

No change.

(8) Operating Standards.

- (A) The certificate of approval issued by the Coordinating Board indicating a school's approval to operate in compliance with sections 173.600 to 173.619, RSMo and the provisions of this rule shall be, at all times during the term of its validity, displayed in a conspicuous place on, and only on, the premises listed on the face of the certificate of approval so that persons visiting the premises may readily see the certificate of approval.
- (B) Any school that closes or whose certificate of approval is suspended, revoked, or not renewed shall, on the approval of the department, take one of the following actions:
1. Make partial or full refund of tuition and fees to the students enrolled;
  2. Continue operation under a temporary certificate until students enrolled have completed the program for which they are enrolled;
  3. Make arrangements for another school or schools to complete the instruction for which the students are enrolled;
  4. Employ a combination of these methods in order to fulfill its obligations to the students; or
  5. Implement other plans approved by the department.
- (C) A school must maintain a location or locations for all student records, including the student transcript, for both current and former students, that can reasonably assure their proper security, protection, and accessibility.
- (D) In the event a school terminates its operations, it must file or make arrangements to file all student transcripts and financial account records, in paper and/or electronic form, in an appropriate permanent repository approved by the department within fourteen (14) days of the termination date. Failure to do so shall result in forfeiture of the security deposit as required by section 173.612, RSMo.
- (E) Scope of Certificate of Approval.
1. Branch campuses and extension sites of Missouri schools.



- A. Application for a certificate of approval to operate shall be made by and through a location designated as the main campus of a school indigenous to Missouri. A certification application shall be made by a main campus on behalf of its branch campuses. The application shall identify all locations proposed to be operated by the school.
  - B. All certificates of approval to operate shall specify the instructional locations and program(s) of instruction for which the certificate is valid. In addition to the certificate issued to the main campus, certificates of approval to operate shall be issued only for those locations and programs defined and listed in the annual application for certification as branch campuses.
  - C. Approval to operate locations as extension sites, as defined and listed in the annual application for certification, shall be extended from the certificate of a main or branch campus.
  - D. The certification to operate of the main campus or any of its branches or extensions may be denied, revoked, suspended, or placed in a status of probation. Such action may be deemed by the department to apply to all locations under the jurisdiction of that certificate of approval to operate.
2. Franchises of Missouri schools.
- A. All locations at which instruction is proposed to be offered by a franchisee of a franchisor approved to operate shall be deemed a location within the scope of such franchisor's approval, provided that the franchisor provides the course curriculum and guidelines for teaching at each location and that a single location is identified as the principal facility for record keeping.
  - B. Denial, revocation, or suspension of certificates of approval to operate for a franchisor shall be deemed to apply to all franchisee locations. The certification of an individual franchisee (as listed on the franchisor's application for certification) may be denied, revoked, suspended or placed in a status of probation for just cause.
3. Changes in physical location.
- A. The department must be notified at least thirty (30) days prior to the effective date of proposed changes in or additions to the location(s) of the school operations.
  - B. Such changes shall not be effective except on review and authorization by the department.
  - C. As a condition of authorization for the implementation of changes and additions of location under the school's certificate to operate, accredited schools must provide written documentation of the approval of such changes by the accrediting association.
4. Programmatic additions, discontinuances, and revisions.
- A. The department must be notified at least thirty (30) days prior to the effective date of **non-substantive** programmatic additions, discontinuances, and revisions (including but not limited to changes in name, length, cost, or objective).

- B. Substantive revisions to existing programs of instruction and the initiation of proposed new program offerings must be submitted for review in the format established by the department. The school must demonstrate that revised and additional programs are in compliance with certification standards, as described in paragraph (5)(B)1. of this rule, in order for these programs to be approved for inclusion within the scope of the certificate of approval. Such changes shall not be effective except on authorization by the department.
- C. As a condition of authorization for the implementation of programmatic changes under the school's certificate to operate, accredited schools must provide written documentation of the approval of such changes by the accrediting association.
- D. **Schools must submit a complete proposal to the department at least ninety (90) days prior to implementation of a new program. Incomplete proposals will be returned without review. A complete proposal must include at least the following, as prescribed by the department.**
- (1) **A signed letter of notification**
  - (2) **A complete new program request form**
  - (3) **All required new program request form attachments**
  - (4) **Payment of any required fees**
- E. **Schools must submit a complete proposal to the department at least sixty (60) days prior to implementation of a substantive change to an existing program. Incomplete proposals will be returned without review. A complete proposal must include at least the following, as prescribed by the department.**
- (1) **A signed letter of notification**
  - (2) **A complete program revision request form**
  - (3) **All required program revision request form attachments**
  - (4) **Payment of any required fees**
- F. **Upon receipt of a complete proposal for a new program or a substantive change to a existing program, the department will provide an acknowledgement to the school that includes the official date of receipt.**
- G. **The department must provide the school with a written response to a proposal for a new program within ninety (90) calendar days or a substantive change to an existing program within sixty (60) calendar days. The response may notify the school of final approval, tentative approval, or additional information that must be submitted to complete the review. If the response is not provided within the required timeframe, the school may offer the program until the department completes its review and identifies a substantive issue or issues that need correction.**

**H. If the department fails to provide a written review within the time frame established in paragraph (8)(E)4.G. of this rule, the department will notify the school of the results of the review within ninety (90) days of the expiration of the initial timeframe. The school will then have ninety (90) days from that notice to correct identified deficiencies without ceasing to offer the program. The school must cease offering the new or revised program if it fails to make the required corrections within the ninety (90) time period.**

(F) Change of Ownership.

1. A certificate of approval is nontransferable. A change in the sole proprietor of a school, a change in the majority interest of general partners of a partnership owning a school, or a change in a majority stock ownership of a school shall be deemed a transfer of ownership.
2. Within thirty (30) days of such transfer the new owner shall make application for a new certificate of approval on application forms as determined by the department.
3. This application shall be processed like an initial application except the Coordinating Board may issue a temporary certificate, to be effective for a maximum of sixty (60) days if the chief administrator furnishes a written statement asserting that all conditions set forth in the rule are being met or will be met before offering training or education.
4. Failure to make application to the department, when a change of ownership occurs, shall be grounds for placing a school on probationary status or for suspension, revocation, or denial of a certificate of approval.

(G) Change of School Name.

1. The department must be notified at least thirty (30) days prior to the effective date of proposed changes in the official name of a school. Name changes shall not be effective except on authorization by the department.
2. As a condition of authorization for the implementation of a name change under the school's certificate to operate, accredited schools must provide written documentation of the approval of the change by the accrediting association.

(H) Except as pursuant to the initial approval to operate, a certificate of approval will not be issued to any school that has reported no student enrollments during the previous certification year. A school having a full certification year without student enrollments shall be deemed as not being a school eligible for certification.

(9) Certification of Out-of-State Institutions.

No change.

(10) Probation, Suspension and Revocation of a Certificate of Approval.

No change.